Government of Saskatchewan

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Weekly Cattle Market Update

For the Week Ending April 21, 2017

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)								
Feeder Steers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800-900**	**900+ lb.**
April 21/2017	Average	**$232.17**	**$228.63**	**$220.60**	**$209.00**	**$190.75**	**$172.42**	**$162.63**
April 21/2017	Range	**213-248**	**219-243**	**211-234**	**199-219**	**182-202**	**168-180**	**159-168**
week/week	Change	**$4.29**	**-$0.50**	**-$1.10**	**$3.67**	**$5.67**	**$3.59**	**$0.43**
April 13/2017	Average	**$227.88**	**$229.13**	**$221.70**	**$205.33**	**$185.08**	**$168.83**	**$162.20**
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
April 21/2017	Average	**$201.75**	**$196.63**	**$190.10**	**$183.30**	**$170.90**	**$161.25**	
April 21/2017	Range	**193-216**	**187-211**	**180-199**	**176-192**	**162-179**	**157-166**	
week/week	Change	**$3.55**	**$1.30**	**$2.77**	**$6.87**	**$3.40**	**$6.32**	
April 13/2017	Average	**$198.20**	**$195.33**	**$187.33**	**$176.43**	**$167.50**	**$154.93**	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data.

Canfax reported that a total of 12,040 head of cattle were sold in Saskatchewan this week, down from 15,405 head sold the previous week, and down from 15,979 head the same week a year ago.

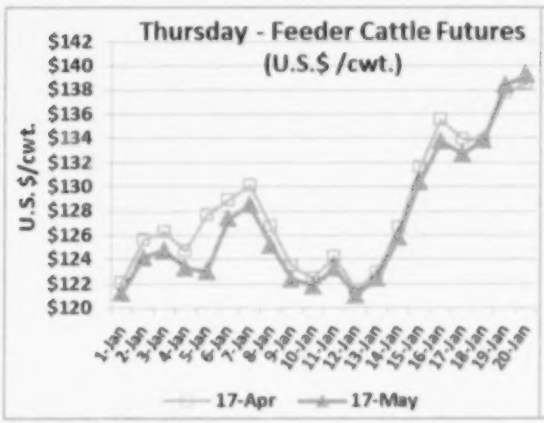
Saskatchewan feeder steer prices were reported in all weight categories over the week with feeder steer prices mixed this week however mostly higher in the various weight categories. Feeder steer prices ranged between $1.10 per cwt lower to $5.67 per cwt higher. The 700-800 lb. feeder steer weight category had the highest gain as calves are being bought for grass while the 500-600 lb. steer calves had the largest loss.

Saskatchewan feeder heifer prices were reported in all weight categories over the week with prices considerably higher. Feeder heifer prices over the week ranged between $1.30 per cwt to $6.87 per cwt higher from the previous week. The largest increase over the week for the heifers was also in the 700-800 lb. weight category as grass cattle are being secured. The 400-500 lb. weight category showed the smallest gains at $1.30 per cwt.

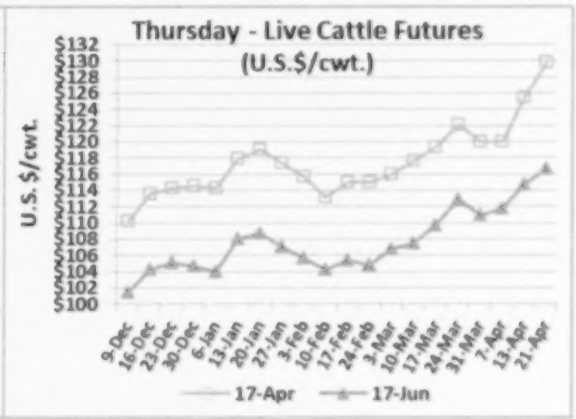
The Saskatchewan 750 lb. feeder steer basis compared to the April 20, 2017, U.S. feeder cattle index at US$138.05 per cwt was calculated at (+$4.32) per cwt ($190.75 - US$138.05/0.7405), a

basis narrowing of $1.88 per cwt from (+$6.20) per cwt compared to the previous week. Saskatchewan prices were over $4 per cwt higher than the U.S. index price.

Feeder cattle daily futures prices were steady over the week, ending the week higher, week-over-week. The nearby April contract increased US$0.750 per cwt to settle Friday at US$138.550, while the May contract increased US$0.850 per cwt to settle Friday at US$139.250 per cwt.



Source: CME, LMIC



Source: CME, LMIC

Live daily cattle futures prices moved higher all week with significant gains week-over-week. The nearby April contract increased US$4.425 per cwt to settle Friday at US$129.800 per cwt; while the June contract increased US$2.000 per cwt to settle Friday at US$116.700 per cwt.

Iowa cash corn prices settled Friday at US$3.19 per bushel, down thirteen cents from US$3.32 per bushel the previous Friday. Daily corn futures ended the week lower, week-over-week. The May corn contract decreased fourteen cents to settle Friday at US$3.57 per bushel, while the July contract also decreased fourteen and a quarter cents to settle Friday at US$3.63 ¼ per bushel.

Fed and Non-fed Cattle

	April 21, 2017	April 13, 2017	Week over Week
Steers (Alberta)			
Live	$175.05	$172.80	+$2.25
Rail	$286.50 to $296.50	$286.50 to $287.00	+$0.00 to +$9.50
Cows (Alberta)			
D1,2 Live	$107.00	$106.13	+$0.87
D3 Live	$95.75	$96.25	-$0.50
Rail	$201-206	$201-206	n/c

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were higher over the week. The price of D1,2 slaughter cows increased $0.87 per cwt to average $107.00 per cwt, while the price of D3 slaughter cows decreased $0.50 per cwt to average $95.75 per cwt after a large gain seen last week. Fed cattle prices for Alberta fed steers averaged $175.05 per cwt over the week, up $2.25 per cwt from $172.80 per cwt the previous week.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$131.62 per cwt, up US$3.61 per cwt or 2.8 per cent from US$128.01 per cwt the previous week; and up 4.1 per cent from US$126.45 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$209.22 per cwt, up US$3.92 per cwt or 1.9 per cent from US$205.30 per cwt the previous week, and up 4.3 per cent from US$200.68 per cwt the same week a year ago.

Beef production for the week was estimated at 480.1 million lb., up 0.25 per cent from 479.0 million lb. the previous week, and up 0.78 per cent from 476.4 million lb. the same week a year ago. Cattle slaughtered over the week were estimated at 595,000 head, up 0.85 per cent from 590,000 head the previous week, and up 1.8 per cent from 585,000 head a year ago.

U.S. choice beef cutout prices (600-900 lb.) averaged US$215.63 per cwt over the week, up US$5.69 per cwt or 2.7 per cent from US$209.94 per cwt the previous week, and down 3.0 per cent from US$222.27 per cwt the same week a year ago.

On Friday April 21, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for April 1, 2017.

April 1, 2016 and 2017, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2016	2017	Per cent of previous year
On feed March 1	10,770,000	10,772,000	100.0
Placed during March	1,892,000	2,102,000	111.1
Marketed during March	1,747,000	1,914,000	109.6
Other disappearance during March	62,000	56,000	90.3
On feed April 1	10,853,000	10,904,000	100.5

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in March 2017 was 2.102 million head, up over eleven per cent from 1.747 million head in March 2016, and up 24.1 per cent from 1.694 million head placed in February 2017. The number of fed cattle marketed in March 2017 was 1.914 million head, up 9.6 per cent from 1.747 million head in March 2016, up 16.1 per cent from 1.648 million head marketed in February 2017.

The March cattle placements were higher (5.1 per cent) above the average trade estimates (106.0 per cent), while the cattle marketed in March were almost equal with the average trade estimates (109.5 per cent). The cattle on feed for April 1, 2017 were estimated at 10.90 million head, slightly above the April 2016 inventory numbers of 10.85 million head, and slightly above the March 2017 numbers. The average trade estimates were estimating a slight decrease (99.7) from April 2016 to April 2017, while a slight increase was shown with USDA's current estimates. Typically with the variation between the pre-report average trade estimates and the USDA's numbers for placement and slightly higher cattle on feed, the market will be viewed as bearish; however feedlots are quite current with grilling season to come.

Friday Price Information

Product		This Week (April 21, 2017)	Week of: (April 13, 2017)	Week of: (April 22, 2016)
Canadian Dollar (closing rate US$)		.7405	.7503	.7892
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		138.05	134.21	151.11
Seven-day Weighted Average FC Index Wt. (lb.)		810	802	768
Live Fed 5-area Steer Price (US$ per cwt)		131.62	128.01	126.45
Feed Grains				
Barley	Lethbridge ($/tonne)	160.00	160.00	210.00
	($ per bu.)	3.48	3.48	4.57
Corn	Iowa State Average (CDN$/tonne)*	169.59	174.20	166.11
	(US$ per bu.)	3.19	3.32	3.33
	Omaha, NE (CDN$/tonne)*	172.78	170.52	180.58
	(US$ per bu.)	3.25	3.25	3.62
Futures				
	May Corn (US$ per bu.)	3.57	3.71	3.71 ¾
	July Corn (US$ per bu.)	3.63 ¾	3.78	3.75 ½
	April Live Cattle (US$ per cwt)	129.800	125.375	124.725
	June Live Cattle (US$ per cwt)	116.700	114.700	114.650
	April Feeder Cattle (US$ per cwt)	138.550	137.800	147.950
	May Feeder Cattle (US$ per cwt)	139.250	138.400	142.100

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News

* conversion to CDN$ is based on Friday's CDN$ closing rate.

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